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STATUTORY INSTRUMENTS

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**2007 No. 962**

**POSTAL SERVICES**

**The Post Office Network Subsidy Scheme Order 2007**

*Made* - - - - - *21st March 2007*

*Coming into force* - - - - - *22nd March 2007*

The Secretary of State, with the consent of the Treasury, makes the following Order in exercise of the powers conferred by sections 103 and 122(2)(a) of the Postal Services Act 2000<sup>(1)</sup>:

In accordance with section 122(12) of the Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament:

**Citation and commencement**

1. This Order may be cited as the Post Office Network Subsidy Scheme Order 2007 and shall come into force on the day after the day on which it is made.

**The Scheme**

2. The Scheme set out in the Schedule to this Order shall have effect.

20th March 2007

*Jim Fitzpatrick*  
Parliamentary Under Secretary of State for  
Employment Relations and Postal Services  
Department of Trade and Industry

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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We consent,

21st March 2007

*Frank Roy*  
*Alan Campbell*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

## SCHEDULE

Article 2

### THE POST OFFICE NETWORK SUBSIDY SCHEME

#### **Interpretation**

1. In this Scheme, “the company” means Post Office Limited (a company registered in England and Wales with the registration number 02154540) or any company which carries on, in succession to Post Office Limited, the business carried on by that company as at the date on which this Scheme came into effect.

#### **Scope of the Scheme**

2.—(1) The Secretary of State may make payments to the company under this Scheme which will assist in the continued provision by the company of services to be provided from public post offices which it appears to the Secretary of State are likely, but for the making of the payments, to be closed.

(2) The Secretary of State may make payments to the company under this Scheme in respect of the costs to the company of establishing public post offices if it appears to the Secretary of State that, but for making of the payments, it is likely that public post offices will not be provided in one or more areas of the United Kingdom.

#### **Scheme criteria**

3. In deciding whether to make a payment under this Scheme, the Secretary of State shall have regard to the following criteria—

- (a) whether services will continue to be provided from a national network of public post offices across the United Kingdom in the absence of the making of a payment;
- (b) whether services will continue to be provided from public post offices or a network of public post offices in any particular area of the United Kingdom in the absence of the making of a payment.

#### **Amount payable under the Scheme**

4.—(1) Subject to sub-paragraph (2), each payment of subsidy under this Scheme shall meet such proportion of the costs or estimated costs associated with the establishment of public post offices or the provision of services to be provided from public post offices as the Secretary of State considers appropriate for that payment.

(2) The maximum amount payable under this Scheme in any period of twelve months beginning on 1st April shall be £160,000,000.

#### **Scheme conditions**

5. Payments under this Scheme shall be made subject to such terms and conditions (including terms and conditions as to repayment and as to the geographical distribution of public post offices that must be provided by the company and their accessibility to users of postal and other services) as the Secretary of State considers appropriate.

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## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order sets out the Post Office Network Subsidy Scheme. The Scheme provides for the payment of a subsidy by the Secretary of State to Post Office Limited to assist in the establishment and provision of public post offices by Post Office Limited up to a maximum annual amount of £160,000,000.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.